

bring in the clowns. We will shoot \$500 tax cuts out of a cannon and sell cotton candy wrapped around a capital gains cut. Who is left paying at the ticket booth? Well, our senior citizens, our grade school and college students who have already sustained cuts, construction workers, mothers, and finally all taxpaying Americans.

Today the Republican majority will attempt to pass a bill which will create the largest deficits that have been proposed recently. Welcome to the real circus under our Capitol dome. The Republican majority are working to give the top 2 percent Americans 58 percent of that \$180 billion tax cut. The 10-year cost will be \$630 billion. Now that reality is under the big top.

The bears and elephants are not eating peanuts but hundred-dollar bills at our expense, from the pockets of hard-working Americans. Children are paying \$2.3 billion in cuts in education and school nutrition programs. I hope they enjoy the circus today because it will be the last one for 10 years.

The Greatest Show on Earth is not Barnum and Bailey, it is under our Capitol dome.

#### THIS TAX BILL WILL HELP SMALL BUSINESS AND WORKERS

(Mr. ENGLISH of Pennsylvania asked and was given permission to address the House for 1 minute.)

Mr. ENGLISH of Pennsylvania. Mr. Speaker, I believe it is time for Congress to make small business stronger and more competitive, and the best way to do that is by passing House Resolution 1215, the Republican tax plan. This legislation will help small business continue its critical role as the largest producer of jobs in our country.

The Republican tax plan increases the amount of capital equipment that a small business can expense, doubling it over a period of time to lower the cost of capital equipment, for cost of capital for equipment, used by small business. This assists cash-starved small businesses that need to make strategic capital investments to survive, and it encourages small business growth.

What this legislation does is it makes American workers more productive and more internationally competitive. This legislation is pro small business, it is pro worker. It is time we passed it.

#### THIS WEEK, THE REPUBLICAN CIRCUS CLOSSES

(Mr. GUTIERREZ asked and was given permission to address the House for 1 minute.)

Mr. GUTIERREZ. Mr. Speaker, the circus came to town today. But, you know what? If you were looking outside on the Capitol Grounds, you missed it. The real circus is right inside the House, as the Republicans clown around to try to pass this tax cut for the wealthy and well-off.

Step right up and you will see the Republicans juggle numbers—it will be

a little clumsy, but they'll still try to pull it off. You will see elephants—that great symbol of the Grand Old Party—dance and stomp around, just as you will see the Republicans dance around the issue of deficit reduction, and stomp on the principle of tax fairness.

You want to see a high wire act? Well, do not bother watching death-defying professional acrobats when you can watch professional politicians defy logic during their high-wire act.

And the Republicans will even perform without a net! Unfortunately, it is your safety net: loans for college education, school lunches and nutrition programs for your kids, heating assistance for the elderly.

Well, the circus came to town. But, eventually, the tents get folded, the sawdust gets swept up, and the elephants and clowns get back on the train. This week, the Republican circus closes. Let us hope it does not return.

#### THE TRUTH ABOUT THE CONTRACT'S FAMILY TAX CUTS

(Mr. RIGGS asked and was given permission to address the House for 1 minute.)

Mr. RIGGS. Mr. Speaker, to reduce the tax burden on working middle class families we Republicans are proposing a \$500 a year tax credit for each child under 18 years old in tax-paying families with income less than \$200,000. Using their tired refrain of class warfare, Democrats are calling our proposal a proposal that would benefit only the rich. Let us take a look at the truth.

The families of 52,000,000 American children, which comes to 35,000,000 families, are eligible for the \$500 per child tax credit. In fact, according to the House Committee on Ways and Means, the family tax credit would lessen the tax burden on a vast majority; in fact, 89 percent of these families. The \$500 per child tax credit would completely eliminate the Federal tax burden for 4.7 million working families at the lowest income levels.

The bottom line: The contract tax credit will provide families with \$120 billion in tax relief over the next 5 years. Just about all families will benefit, the Democrats' class warfare notwithstanding. Family, children, jobs; that is what the Republican tax credit is all about.

#### INDIA RUBBER MEN UNDER THE BIG TOP TODAY

(Mr. FRANK of Massachusetts asked and was given permission to address the House for 1 minute.)

Mr. FRANK of Massachusetts. Mr. Speaker, I want to talk about an aspect of the circus that we usually see in the sideshow, but it has moved in here, in the big top. That is the India rubber man who can be bent and twisted all out of shape, no bones, no resistance. One can just make all kinds of shapes out of them.

Well, we have about 150 of them represented here. They are, among others, the people that used to be known as moderate Republicans. About a hundred Republicans signed a letter saying they did not like a tax credit for people that made \$200,000, but, like the India rubber man, just because they signed the letter does not mean they cannot be twisted into voting the bill. There will probably be a majority of Republicans who will vote for this bill, having told us how much they do not like some aspects of it. Just like the India rubber man, they will start standing up straight, but the leadership will come, and twist them, and move them, and push them, and, by the time they are through, they will be all bent out of shape, but they will vote for it.

Actually the circus is probably the wrong institution to talk about when we talk about moderate Republicans. The place where they will be found hereinafter is in museums, because there will not be any more left. The pressures that the right wing is able to generate on Republicans means we will continue to see the kind of ultimate flexibility which leads them to sign a letter saying they do not like the tax bill and then get twisted into voting for it.

#### H.R. 1215 UNFAIR TO FEDERAL WORKERS

(Mr. DAVIS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DAVIS. Mr. Speaker, I rise to sound the alarm against a huge tax hike on 2 million Americans that has been slipped into H.R. 1215, the package of tax reforms that will be considered on this floor today. Here are the facts:

Fact: The rule governing today's tax debate prevents a clean vote for the tax reductions that were promised in the Contract With America. We will be asked to vote on a package that includes a 2.5-percent payroll tax hike that would cost every Federal worker between \$3,500 and \$11,000 over the next 5 years. The Congressional Budget Office has scored this as a revenue which means that it is a tax. And that's not all.

Fact: The same tax package would reduce lifetime benefits for Federal workers by 4 percent by changing the retirement formula to reflect the highest 5 years of salary as opposed to the current formula based on the highest 3 years of salary. This provision simply makes it more expensive for Federal workers to retire on schedule and encourages them to stay on the payroll longer to make up for the losses in planned retirement benefits.

The tax hike supporters claim that this revenue is needed to fund the CSRS retirement system. Let's look at the facts:

Fact: None of this increased revenue will be set aside in a trust fund for the

benefit of future Federal retirees. Instead, it will go into the general treasury to finance tax cuts for others.

Fact: 50 percent of Federal employees are part of the FERS retirement system which everyone agrees has absolutely no unfunded liability. Nevertheless, these workers are subjected to the same tax hike and will get no additional retirement benefit or security.

Fact: CRS has determined that the Federal retirement system does not have an unfunded liability problem and faces no threat of insolvency. These findings have been verified and confirmed by the GAO.

H.R. 1215 includes a huge, unfair tax hike selectively imposed on 2 million working Americans. This tax hike does not belong in a tax reduction bill and must be defeated. I will oppose any rule that does not address this tax hike, and I will oppose any so-called Tax Fairness bill that arbitrarily punishes these 2 million Federal workers.

#### TAX CUTS FOR THE RICH, THE CROWN JEWEL OF THE REPUBLICAN CONTACT

(Mr. OLIVER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. OLIVER. Mr. Speaker, Speaker NEWT GINGRICH, the Speaker of this House, has called the tax cut for the rich bill that we are going to be debating today the crown jewel of the Republican Contract on America. Well, he is also quoted in the Washington Times yesterday. Speaker NEWT GINGRICH quoted fairness is the animating principle, end quote, of the bill says House speaker NEWT GINGRICH who attacks the Democrats' argument as, quote, class warfare, unquote.

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Well, I am going to leave it to the American people to decide if it is fair to take \$15 billion of financial aid from the children of middle and low income families, who would want to use that financial aid to go to college, and use the \$15 billion to allow some of our biggest corporations in America to pay no taxes. Corporations like Anheuser-Busch, Boeing, du Pont, General Dynamics, PepsiCo, Texaco, Westinghouse, and Xerox—all of them would be allowed to pay no taxes under this bill.

Is it fair to take \$50 billion of heat and housing aid from elders and nutrition from young people and child care and subsistence from poor people and give that to the wealthiest families who make \$200,000 a year? Is it fair?

#### TAX FAIRNESS MEANS TAX RELIEF FOR SENIOR CITIZENS

(Mr. CHABOT asked and was given permission to address the House for 1 minute.)

Mr. CHABOT. Mr. Speaker, the time has come to provide tax relief for all Americans, especially for our senior

citizens. Today our grandparents are used as money trees by the Federal Government. Instead of treating our elders with respect, our Government has come to look at them as just another tax target.

For instance, the earnings limit imposed on working seniors actually discourages work. The tax is so unfair that if a senior citizens earns over \$11,000 in a year, he or she will be assessed a marginal tax rate of 56 percent. That is 56 percent; that is ridiculous. This rate is twice the rate that millionaires pay.

Excuse me, but I think there is something wrong with this picture.

In our Contract with America, Republicans promised to reduce the tax burden imposed on senior citizens. We are committed to tax fairness and to protecting our grandparents. We owe it to those who fought the wars, raised the families, and built the Nation to protect them from an out-of-control Federal Government bent on taxing the American people into the poorhouse.

Let us cut taxes now.

#### AWARD OF PURPLE HEART TO SERVICE MEMBERS KILLED IN IRAQI "NO FLY" ZONE INCIDENT

(Mr. DIXON asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. DIXON. Mr. Speaker, I rise today to commend the Army and Air Force for their decision to award the Purple Heart posthumously to members of the Armed Forces killed on April 14, 1994, in a friendly fire incident in the northern Iraqi no fly zone. Fourteen American service members on peacekeeping duty—were killed when two American F-15C fighter aircraft accidentally shot down two United States Black Hawk helicopters in northern Iraq.

Mrs. Kaye Mounsey, the widow of Army WO Eric Mounsey—a pilot of one of the helicopters—resides in Culver City in my congressional district. I met with Mrs. Mounsey last summer and she related to me the concern which she and other family members shared about the initial decision of the military not to award the Purple Heart.

As a result of language inserted in last year's defense appropriations conference report and the consistent advocacy of family members that decision has now been reversed. It was the appropriate thing to do.

I am pleased that the services have agreed to recognize the sacrifice of these members of the Armed Forces. It is the appropriate thing to do. While there is little we can do to compensate for the loss of a husband, brother, sister or child, it is essential that we acknowledge the Nation's gratitude for the ultimate sacrifice that these Americans gave in service to their country.

The role and complexity of United States Armed Forces missions have evolved and it is important that the services acknowledge that

evolution. While the criteria for award of one of the Armed Forces' highest honors must remain high, I commend the services for recognizing that the Iraqi incident, occurring in the presence of hostile forces, meets the criteria for award of the Purple Heart.

#### A HISTORY LESSON IN ECONOMICS

(Mr. KINGSTON asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. KINGSTON. Mr. Speaker, of course, the Democrats and the White House are concerned about the circus coming to town. They hate having the competition. Besides, they might get stomped on by a charging elephant. They already had that experience in November.

But have they no shame? For the past 40 years, while controlling the House, the Democrats had deficit spending, and now suddenly they are deficit hawks concerned about a tax cut that might hurt the economy or the deficit, according to them.

Of course, we know that Democrats love taxes, so they do not want to give up on any tax revenue. But I would say to my friends on that side of the aisle, if they would look at history, economic history, they would see that tax cuts actually increase revenues.

From 1956 to 1969, taxes were down, and GDP increased. From 1970 to 1982, taxes were up and GDP went down, revenue from taxes went down. From 1983 to 1988, revenue from taxes went up and taxes were down. But then after the 1989-90 tax bill, taxes went up and revenues went down.

Mr. Speaker, this is economic history. It is not partisan politics. I would be happy to share it with any of the Members.

#### THE CIRCUS AND THE GOP SHARE THE SPOTLIGHT

(Mr. ENGEL asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. ENGEL. Mr. Speaker, much as been said this morning about the circus coming to town, and it is true. As we speak, the circus is out here on the Capitol Grounds, celebrating its 125th anniversary, complete with clowns and elephants performing tricks.

While the elephants are outside performing their tricks, the GOP elephants in this Chamber are performing their tricks on the American people. They say they are for balancing the budget, but instead they are about to pass legislation giving tax breaks for the rich, at the expense of the rest of the American people. These tax cuts for the wealthy, which the Speaker calls his crown jewel, will surely explode the national deficit and at the same time cut or eliminate college student loans, take food out of the mouths